



NATIONAL LABOR RELATIONS BOARD

OFFICE OF THE GENERAL COUNSEL

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NLRB TO DISTRIBUTE \$974,000 IN INSURANCE PREMIUM REFUNDS TO PRESENT AND FORMER PILGRIM INDUSTRIES EMPLOYEES

National Labor Relations Board General Counsel Fred Feinstein today announced the imminent distribution of approximately \$974,000 in backpay to almost 1,700 past and present employees of the Pilgrim Industries' Lufkin, Texas, facility.

The payments result from an NLRB order enforced by the U.S. Court of Appeals for the Fifth Circuit requiring Pilgrim Industries to reimburse employees for its unlawful increases in amounts deducted from employee pay to cover health insurance contributions from September 1988 through May 1996.

The case arose in 1988, when United Food and Commercial Workers Union Local 540 filed an unfair labor practice charge with the NLRB's Fort Worth, Texas, Regional Office alleging that Pilgrim had violated the National Labor Relations Act by increasing health benefit premiums of employees in a bargaining unit represented by the union without first bargaining with the union. Regional Director Michael Dunn found merit to the charge and issued a complaint against the company when no settlement was reached. Pilgrim appealed to an NLRB Administrative Law Judge who upheld the complaint. Pilgrim then appealed the judge's decision to the five-member Board in Washington, D.C., which upheld the judge. The Board ordered Pilgrim to:

- cease and desist from changing employee terms and conditions of employment without first notifying and bargaining with the UFCW;
- restore the employees' terms and conditions of employment as they existed before the September 1988 charges, and continue the conditions in effect until a new collective bargaining agreement is reached or a lawful impasse in bargaining occurs; and
- make employees whole for the losses incurred as a result of Pilgrim's unlawful conduct.

On May 20, 1992, the U.S. Court of Appeals for the Fifth Circuit issued a judgment enforcing the Board's order in full. Two weeks later, Pilgrim again increased the cost of health premiums that its employees were required to pay and changed the benefits received by participants in its health plan. As a result of Pilgrim's unilateral action in violation of the order, the Board filed a contempt action with the court. After a hearing before a court-appointed Special Master and the issuance of the Special Master's decision, the court held Pilgrim in contempt for failing to implement the Board's order as enforced by the court in 1992. The contempt order, which became final on May 30, 1996, required Pilgrim, among other things, to:

- expeditiously restore the employees' health care benefits to the levels that existed in 1988;
- mail notices of the contempt citation to all employees; and
- make the employees in the UFCW bargaining unit whole for any losses suffered as a result of the unlawful increase in the health care premiums. Pilgrim already has reimbursed the NLRB \$100,000 to cover the agency's cost in processing the contempt action. The company restored the employees' health care premiums to the 1988 levels in May 1996.

In announcing the payments, General Counsel Feinstein stated:

I am pleased that eligible Pilgrim employees will at last receive compensation, due to the dedication and hard work of many NLRB employees. In particular, I would like to commend Regional Director Michael Dunn, Field Examiner Patricia Klint, and Compliance Officer Jenny Daniel in Fort Worth, and in Washington, Contempt Branch Attorneys Gary Shinnars, Dan Collopy, and Steve Gordon.

The Fort Worth office will distribute the insurance premium refund checks on October 2 from 1:00 P.M. to 7:00 P.M. and Thursday, October 3, from 9:00 A.M. to 1:00 P.M. at the Lufkin Room at the Lufkin Mall located at 4600 South Medford Drive, at the intersection of Loop 287 and Highway 59 South, in Lufkin, Texas. To facilitate distribution of the checks, individuals must present proper identification, such as a driver's license, know their Social Security number, and if possible, provide their Pilgrim employee identification number. Eligible employees who are unable to visit the above location on the specified date and time will be mailed their checks at a later time. It is the agency's understanding that many of the individuals due refund checks are no longer employed by Pilgrim at its Lufkin plant and now reside in various locations in East Texas, the Dallas/Fort Worth metroplex, and the Rio Grande Valley. To assist Region 16 in insuring that checks are mailed to the correct address, individuals who do not receive a check from Board agents in Lufkin, Texas on October 2 and 3 should mail a letter to the region providing their current address and telephone number where they can be reached, Social Security number, Pilgrim employee identification number (if possible), and dates employed by Pilgrim. The letter should be addressed to:

Compliance Officer
National Labor Relations Board, Region 16
819 Taylor Street, Room 8A24
Fort Worth, Texas 76102

Only those employees who made payments for health care benefits and worked in a bargaining unit represented by the UFCW Union, Local 540, are eligible to receive checks. The amounts of reimbursement to each person will range in amount from a few dollars, for those who worked at the Pilgrim Lufkin plant for a short period of time, to more than \$4,000.

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